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SOFTVAULT SYSTEMS, INC.

**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SAN JOSE DIVISION**

SOFTVAULT SYSTEMS, INC.,

Plaintiff,

vs.

VMWARE, INC,

Defendant.

CASE NO.

**COMPLAINT FOR INFRINGEMENT  
OF U.S. PATENT NOS. 6,249,868 AND  
6,594,765**

**JURY TRIAL DEMANDED**

1 Plaintiff SOFTVAULT SYSTEMS, INC. files its Complaint against Defendant  
2 VMWARE, INC., alleging as follows:

3 **THE PARTIES**

4 1. Plaintiff SOFTVAULT SYSTEMS, INC. (“SoftVault”) is a corporation organized  
5 and existing under the laws of the State of Washington with its principle place of business in the  
6 State of Washington.

7 2. Upon information and belief VMWARE, INC. (“VMWARE”) is a corporation  
8 organized and existing under the laws of the State of Delaware, with its principal place of  
9 business in Palo Alto, California. VMWARE may be served with process through its registered  
10 agent CT Corporation System, 818 W. Seventh Street, Los Angeles, CA 90017.

11 **JURISDICTION AND VENUE**

12 3. This is an action for infringement of United States patents. This Court has  
13 exclusive jurisdiction of such action under Title 28 U.S.C. § 1338(a).

14 4. Upon information and belief, VMWARE is subject to personal jurisdiction by this  
15 Court. VMWARE has committed such purposeful acts and/or transactions in the State of  
16 California that it reasonably knew and/or expected that it could be haled into a California court  
17 as a future consequence of such activity. VMWARE makes, uses, and/or sells infringing  
18 products within the Northern District of California and has a continuing presence and the  
19 requisite minimum contacts with the Northern District of California, such that this venue is a fair  
20 and reasonable one. Upon information and belief, VMWARE has transacted and, at the time of  
21 the filing of this Complaint, is continuing to transact business within the Northern District of  
22 California. For all of these reasons, personal jurisdiction exists and venue is proper in this Court  
23 under 28 U.S.C. §§ 1391(b)(1), (2) and (c)(2) and 28 U.S.C. § 1400(b).

24 **PATENTS-IN-SUIT**

25 5. On June 19, 2001, United States Patent No. 6,249,868 BI (“the ‘868 Patent”) was  
26 duly and legally issued for “METHOD AND SYSTEM FOR EMBEDDED, AUTOMATED,  
27 COMPONENT-LEVEL CONTROL OF COMPUTER SYSTEMS AND OTHER COMPLEX  
28

1 SYSTEMS.” A true and correct copy of the ‘868 Patent is attached hereto as Exhibit A and  
2 made a part hereof.

3 6. On July 15, 2003, United States Patent No. 6,594,765 B2 (“the ‘765 Patent”) was  
4 duly and legally issued for “METHOD AND SYSTEM FOR EMBEDDED, AUTOMATED,  
5 COMPONENT-LEVEL CONTROL OF COMPUTER SYSTEMS AND OTHER COMPLEX  
6 SYSTEMS.” A true and correct copy of the ‘765 Patent is attached hereto as Exhibit B and  
7 made a part hereof.

8 7. The ‘868 Patent and the ‘765 Patent are sometimes referred to herein collectively  
9 as “the Patents-in-Suit.”

10 8. As it pertains to this lawsuit, the Patents-in-Suit, very generally speaking, relate to  
11 a method and system of protecting electronic, mechanical, and electromechanical devices and  
12 systems, such as for example a computer system, and their components and software from  
13 unauthorized use. Specifically, certain claims of the ‘868 and ‘765 Patents disclose the  
14 utilization of embedded agents within system components to allow for the enablement or  
15 disablement of the system component in which the agent is embedded. The invention disclosed  
16 in the Patents-in-Suit discloses a server that communicates with the embedded agent through the  
17 use of one or more handshake operations to authorize the embedded agent. When the embedded  
18 agent is authorized by the server, it enables the device or component, and when not authorized  
19 the embedded agent disables the device or component.

## 20 **FIRST CLAIM FOR RELIEF**

### 21 **(Patent Infringement)**

22 9. SoftVault repeats and realleges every allegation set forth above.

23 10. SoftVault is the owner of the Patents-in-Suit with the exclusive right to enforce  
24 the Patents-in-Suit against infringers, and collect damages for all relevant times, including the  
25 right to prosecute this action.

26 11. Upon information and belief, VMWARE is liable under 35 U.S.C. §271(a) for  
27 direct infringement of the Patents-in-Suit because it manufactures, makes, has made, uses,  
28

1 practices, imports, provides, supplies, distributes, sells, and/or offers for sale products and/or  
2 systems that practice one or more claims of the Patents-in-Suit.

3 12. More specifically, VMWARE infringes the Patents-in-Suit because it makes,  
4 uses, sells, and offers for sale products and systems which prevent unauthorized use of a  
5 computer system through the ability to enable or disable the operation of a device's components  
6 through an authorization process performed by an embedded agent in the component device and  
7 a server. By way of example only, VMWARE's Horizon Mobile Manager system and its  
8 AirWatch Mobile Device Management system, at a minimum, in the past directly infringed and  
9 continues to directly infringe at least claims 1 and 44 of the '868 Patent, as well as at least claim  
10 9 of the '765 Patent.

11 13. VMWARE's Horizon Mobile Manager system and its AirWatch Mobile Device  
12 Management system include the capability to enable or disable a mobile device, such as a tablet  
13 or smart phone, to prevent misuse of the system. The VMWARE Horizon Mobile Manager  
14 System includes an agent (the "VMWARE Switch application") that is installed and embedded  
15 within a mobile device and communicates with a VMWARE Horizon Mobile Manager System  
16 server. This communication includes a series of message exchanges constituting a handshake  
17 operation between the VMWARE Horizon Mobile Mobile Manager System server and the  
18 VMWARE Switch application. Through these exchanges the server and the embedded agent  
19 mutually authenticate one another, resulting in the authorization of a device in which the  
20 VMWARE Switch application is embedded. When the agent is authorized by the server, the  
21 mobile device operates normally and when the agent is not authorized, the mobile device is  
22 remotely locked, disabled, and prevented from accessing a user's workspace.

23 14. The AirWatch Mobile Device Management (MDM) System operates in a similar  
24 fashion. AirWatch's Mobile Device Management system includes the capability to enable or  
25 disable up to 100,000 mobile devices, such as a tablet or smart phone, in a single environment to  
26 prevent misuse of the system. The AirWatch Mobile Device Management System includes an  
27 agent (the "AirWatch MDM Agent") that is installed and embedded within an enrolled mobile  
28 device and communicates with an AirWatch server. This communication includes a series of

1 message exchanges, memorialized by Authentication-Based Certificates, constituting a  
2 handshake operation between the AirWatch server and the AirWatch MDM Agent. Through  
3 these exchanges the server and the embedded agent mutually authenticate one another, resulting  
4 in the authorization of a device in which the AirWatch MDM Agent is embedded. When the  
5 agent is authorized by the server, the mobile device operates normally and when the agent is not  
6 authorized, the mobile device is remotely locked or disabled.

7 15. VMWARE has actual notice of the Patents-in-Suit at least as early as the filing of  
8 this Complaint.

9 16. SoftVault has been damaged as a result of VMWARE's infringing conduct.  
10 VMWARE is, thus, liable to SoftVault in an amount that adequately compensates SoftVault for  
11 VMWARE's infringement, which, by law, cannot be less than a reasonable royalty, together  
12 with interest and costs as fixed by this Court under 35 U.S.C. § 284.

13 **PRAYER FOR RELIEF**

14 SoftVault requests that the Court find in its favor and against VMWARE, and that the  
15 Court grant SoftVault the following relief:

- 16 a. Judgment that one or more claims of the Patents-in-Suit have been infringed,  
17 either literally and/or under the doctrine of equivalents, by VMWARE;
- 18 b. Judgment that VMWARE account for and pay to SoftVault all damages to and  
19 costs incurred by SoftVault because of VMWARE's infringing activities and  
20 other conduct complained of herein;
- 21 c. That VMWARE, its officers, agents, servants and employees, and those persons  
22 in active concert and participation with any of them, be permanently enjoined  
23 from infringement of the Patents-in-Suit. In the alternative, if the Court finds that  
24 an injunction is not warranted, SoftVault requests an award of post judgment  
25 royalty to compensate for future infringement;
- 26 d. That SoftVault be granted pre-judgment and post-judgment interest on the  
27 damages caused to it by reason of VMWARE's infringing activities and other  
28 conduct complained of herein;

- 1 e. That this Court declare this an exceptional case and award SoftVault its  
2 reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and  
3 f. That SoftVault be granted such other and further relief as the Court may deem just  
4 and proper under the circumstances.

5 **JURY DEMAND**

6 Plaintiff hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil  
7 Procedure.

8  
9 DATED: March 12, 2014.

/s/ Benedict O'Mahoney

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